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Approved for Release: 2020/03/13 C02997532 30 AUGUST 1960 I. THE COMMUNIST BLOC Khrushchev visit to Finland may be part of bloc campaign to intimidate neutral states into opposing US overseas bases. II. ASIA-AFRICA Assassination of Jordan's prime minister. (2) Iran--Shah attempting to escape blame for election irregularities. III. THE WEST Trujillo may assume presidency of Dominican Republic; could then personally carry out reported threat to seize American firms in reprisal for sanctions. Italian Premier Fanfani plans to hold nationwide local elections in November. (5) LATE ITEMS **⑥** The situation in the Congo. 7 The situation in Laos.

CENTRAL INTELLIGENCE BULLETIN

30 August 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-Finland: Khrushchev may use his visit to Helsinki beginning on 2 September to exploit Soviet claims of Scandinavian involvement in the U-2 incident. The visit was arranged at Soviet initiative. Since there are no pressing bilateral problems, the main purpose of the trip may be to provide an opportunity for the Soviet premier to reinforce his warnings of the dangers of American policy for the Scandinavian countries and to expand his recent statements in Austria designed to intimidate neutral states into supporting the bloc campaign against US overseas bases. He also can be expected to reaffirm his peaceful coexistence policy and his continuing interest in high-level exchanges with free-world leaders.

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II. ASIA-AFRICA

Jordan-UAR: The Jordanian Government probably will accuse the UAR and Jordanian political exiles in Syria of being connected with the bombing which killed Jordanian Prime Minister Majalli in Amman on 29 August. As a result, UAR-Jordanian antagonism is likely to sharpen still further, and both governments probably will step up plotting against each other. King Husayn in particular may now give more vigorous support to anti-Nasir elements who have been seeking his aid for a coup in Syria. The Jordanian Army and police appear in control of the immediate situation in Amman. Bahjat al-Talhuni, Majalli's successor, in addition to being a strong and loyal supporter of the King, is closely associated with Majalli's bitter rival, ex-Prime Minister Samir Rifai. (Page 2)

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Iran: The resignation of Premier Eqbal on 28 August is part of the Shah's effort to salvage some of his seriously damaged prestige. The Shah is insisting that others must make "sacrifices" in order to relieve him of blame for the rigged and grossly mismanaged elections which are still going on in Iran. Sharif Emami, the newly appointed acting premier, has been minister of industry and mines. While the Shah's plan apparently is to allow the new parliament to convene on the basis of the current elections, amend the electoral law, and then hold new elections, he may come to feel that outright nullification of the present elections is necessary even though not as "legal" a course as he would prefer.

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III. THE WEST

Dominican Republic: Generalissimo Trujillo apparently is preparing to take over the presidency of the Dominican Republic after ruling through puppets since 1952. The controlled Dominican radio on 27 August began urging that the dictator be appointed secretary of state for the armed forces and criticizing President Balaguer for being a weak president. If Balaguer resigns, the secretary of state for the armed forces is constitutionally next in line to become president. Trujillo, perhaps believing he no longer has anything to gain by ruling through puppets, may wish to be in the presidency personally to carry out his reported threat to seize American-owned firms in the Dominican Republic if sanctions are applied against his regime.

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Italy: Italian Premier Fanfani has told the US ambassador in Rome that he hopes to hold the long-postponed nationwide local elections—involving more than 32 million voters—early in November. Prior to the elections he expects passage of a revised electoral law, an aim of which would be to force a separation between the Nenni Socialists and the Communists. Although Fanfani insisted that his party has "bounced back" in public esteem and that the June-July disorders in Italy have boomeranged against the Communists. his estimate seems overly optimistic. (Page 5)

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LATE ITEMS

*Republic of the Congo: Secretary General Hammarskjold appears hopeful that firm UN resistance to Lumumba's projected seizure of the Leopoldville airport will discredit Lumumba and bring about his downfall. On 27 August, a UN official stated that Hammarskjold had received a communication from Lumumba warning that he planned to take over Leopoldville airport "within a week." On the same day, Hammarskjold affirmed that the UN would not yield control of the airport, which it has administered since the first of a series of assaults on UN personnel there on 18 August.

Elsewhere, open resentment in the Congo Senate of Lumumba's authoritarian measures may lead to the arrest of opposition leaders. The premier has alleged that "loyal elements" desire the arrest of one opposition spokesman. Jean Bolikango.

*Laos: The delicate process of effecting a political settlement between the Souvanna Phouma-Kong Le group and General Phoumi's countercoup forces has begun with the opening of the National Assembly session in Luang Prabang. The King's redesignation of Souvanna to form a new government is a gesture OK in support of Phoumi's contention that Souvanna's original designation in mid-August was illegal because the predecessor Somsanith government had been forced to resign under duress. Souvanna must next negotiate the composition of his new cabinet, which could present serious difficulties. If he tries to win a new vote of approval for the small and weak cabinet he organized in Vientiane two weeks ago, his compromise agreement with Phoumi will almost certainly break down. If, on the other hand, he is too liberal in granting cabinet portfolios to Phoumi followers, he is likely to invite the wrath of Captain Kong Le, whose military influence in Vientiane has diminished little, if any. The American embassy in Vientiane notes that Kong is still in a cocky mood and considers it entirely possible that he may follow the lead of the Pathet Lao in opposing any settlement with the "Phoumi clique." A Pathet Lao broadcast of 28 August stated that whatever the assembly does in Luang Prabang, it will be against the will of the people.

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Khrushchev may use his visit to Helsinki on 2-5 September, in honor of Finnish President Kekkonen's 60th birthday, to exploit statements in the Powers trial involving Finland, Sweden, and Norway in the U-2 incident. The visit was arranged on Soviet initiative and, since there are no critical bilateral problems, its main purpose may be to provide an opportunity for the Soviet premier to reiterate his warnings of the dangers of American policy for the Scandinavian countries. He may also expand on his statements in Austria designed to intimidate neutral states into supporting the bloc campaign against US overseas bases. Khrushchev would hope that a repetition of this line, together with a warning that the USSR would not "remain idle" in the face of a violation of neutrality, will generate Scandinavian pressure on Norway to adopt a more restrictive policy on US bases.

The Soviet announcement appears to have come as a complete surprise to high Finnish officials. While some of them interpreted the coming visit as a sign of Soviet good will, the fact that its scheduling appears to have been accomplished with little or no coordination with the Finns appears to have caused some uneasiness in Helsinki. Foreign Minister Toerngren has stated that no preparations had been made in Finland for the visit nor did he know what matters Khrushchev wished to discuss.

One question which might be raised is that of Finland's relations with the European Free Trade Association (EFTA). Although the matter has been under consideration for several months, the Finnish Government has hesitated to proceed on grounds that there is some uncertainty regarding Moscow's attitude toward Finnish membership in EFTA.

President Kekkonen is reported to be pessimistic about the prospects for the West in the political and economic struggle with the bloc. Fearful that there is a real danger of war, particularly over Berlin, he regards it as imperative that Finland conduct a foreign policy having as its basic aim the development of "trustful" relations between the two countries. With this goal in mind, Kekkonen has actively encouraged increased trade, military, and cultural contacts with the USSR. This has been evident most recently in Finnish moves to purchase increased quantities of Soviet military equipment and in a growing number of exchange visits by military officials of the two countries.



Assassination of Jordanian Prime Minister Majalli

and Jordanian political exiles in Syria of being accomplices in the bombing which killed Prime Minister Majalli and nine		
others and wounded 50 on 29 August.		
Former Jordanian Army Chief of Staff Ali Abu Nuwar and former Jordanian Foreign Minister Abdul- lah Rimawi, both of whom fled to Syria after the abortive coup in 1957, are suspected of directing these plots.		
As a result, further deterioration in relations between the UAR and Jordan is likely, along with increased plotting by both regimes against each other. (King Husayn now may give more vigorous support to anti-Nasir elements who have been seeking his aid for a coup in Syria.)		
Political maneuvering within Jordan probably will also become more intense. The King, in designating as the new prime minister Bahjat al-Talhuni, formerly chief of the Royal Court, has installed a loyal supporter, but one who, with former Prime Minister Samir Rifai, was also a bitter rival of Majalli. Rifai, who has long been a logical alternative to Majalli, has irritated the King because of his pro-UAR tendencies.		
Rifai expressed		
his readiness to cooperate with the UAR and		
said he was working "to eliminate" Majalli's government, since		
it "failed to cooperate" with the UAR.		
A curfew imposed in Amman has now been lifted, and the Jordanian Army and police appear to have the situation under control. The director of military operations has placed all Jordanian Army units in a state of emergency.		

Shah Discharges Premier to Shift Blame for Rigged Iranian Elections

Premier Eqbal's resignation on 28 August, a had publicly expressed dissatisfaction with the coparliamentary elections in progress since early a part of the Shah's plan to restore some of his seven prestige.	nduct of the August, is	
warned that public opinion was moving toward a r mood, because free elections had been promised lic's hopes had been disappointed.		
The Shah has been under considerable pressure from some of his principal advisers to declare the elections void and to dismiss Eqbal as the scapegoat. Eqbal, since he became premier in early 1957, has been a faithful executor of the Shah's will. Because of this, he has become unpopular and has created enemies among the Shah's closest associates. Sharif Emami, the 51-year-old pro-Western minister of industry and mines, has been appointed acting premier.		
Apparently the Shah now plans to allow the new parliament to convene, to demand the passage of a new election law, and then dismiss it to hold new elections. The need for strong steps by the Shah to re-establish his authority and prestige, however, could convince him to take illegal measures, such as annulling the elections and assuming direct control of affairs pending elections.		



Trujillo May Resume Presidency

Generalissimo Trujillo apparently is preparing to take over the presidency of the Dominican Republic after ruling through puppets since 1952. The regime-controlled Radio Caribe began urging on 27 August that he be appointed secretary of state for the armed forces and criticizing President Balaguer for being a weak president. The broadcasts ended with "viva Trujillo-down with Balaguer." On 29 August, Radio Caribe stated it would repeat this broadcast every hour "because of the urgency of the situation." If Balaguer resigns, the secretary of state for the armed forces is constitutionally next in line to become president.

improbable" that Trujillo will go to the United Nations as head of the Dominican delegation for the next General Assembly, since Trujillo probably feels that the domestic situation is too explosive for him to leave the country at this time, and that he would almost certainly be excluded from meetings of the Latin American caucus in the UN.
if the sanctions voted by the OAS are applied against his re-
gime, he will seize three large US-owned firms and "then see what else the Americans have here." Private US investment in the Dominican Republic is estimated to have a book value of \$200,000,000. Haiti and Venezuela already have instructed their armed
forces to be alert against possible Dominican military retaliation. Unless Trujillo falls soon, he can be ex-
pected to try to convert the large available stocks of the main Dominican exports of sugar, coffee, cacao, and beef into cash for his own use.

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Italian Premier Wants Nationwide Local Elections Early In November

In a talk with the American ambassador on 24 August, Premier Fanfani stated confidentially that his Christian Democratic party has agreed on the desirability of holding nationwide local elections early in November. These elections have already been postponed twice, and Fanfani said his party now must show the country it has confidence in its own strength. He claims that his party has come back in public esteem and is more popular now than in the recent past, and says—with apparent overoptimism—that the Communists have lost strength because of the degeneration of the June-July demonstrations against the neo-Fascists into Communist-led disorders.

Parliament reconvenes on 5 September, and Fanfani believes that by early October he can secure passage of an electoral reform law which would "force" the Nenni Socialists to run separate lists from the Communists, and the Monarchists to run separate from the neo-Fascists. Both Socialists and Monarchists have urged passage of the new law, which would drop the present majority requirement and adopt a modified proportional system for the provincial elections. Both parties indicated a degree of approval of the present Christian Democratic government by abstaining rather than voting against it in the confidence vote on 18 July.

Fanfani said Nenni "would get his throat cut" if he returned to his alliance with the Communists. The premier believes that 60 percent of the Socialist party hierarchy and an even larger proportion of the party's electorate support Nenni's stand favoring autonomy from the Communists.



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